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C O N F I D E N T I A L SECTION 01 OF 02 SINGAPORE 001467

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TAGS: [ETRD](#) [KISL](#) [PREL](#) [SA](#) [SN](#)

SUBJECT: C-NE6-00584 SINGAPORE HOSTS SAUDI CROWN PRINCE

REF: STATE 58668

Classified By: E/P Counselor Laurent D. Charbonnet. Reasons 1.4(b)(d)

¶1. (U) Summary: As part of its effort to promote business ties with the Middle East, Singapore hosted Saudi Crown Prince Sultan Bin Abdul Aziz Al-Saud and a high-level Saudi delegation April 10-15, 2006. During the six-day visit, the two nations signed an investment guarantee agreement and a memorandum of understanding (MOU) to promote trade and investment, and Saudi Arabia agreed to support Singapore's Free Trade Agreement (FTA) with the Gulf Cooperation Council (GCC). The prince met with Singapore's senior leadership and delivered a public lecture in which he condemned terrorism as un-Islamic. He also donated more than USD 1.5 million to local religious organizations. End summary.

#### Deeper Singapore-Saudi Ties

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¶2. (U) His Royal Highness Crown Prince Sultan Bin Abdul Aziz Al-Saud, accompanied by a high-level delegation, visited Singapore April 10 - 15, 2006. During his six-day visit, the Crown Prince met with Singapore's senior leadership: Prime Minister Lee Hsien Loong, President S. R. Nathan, Minister Mentor Lee Kuan Yew, Senior Minister Goh Chok Tong, Deputy Prime Minister S. Jayakumar, and Minister for Defence Teo Chee Hean. Singapore and Saudi Arabia signed two economic accords: an investment guarantee agreement and a memorandum of understanding (MOU) to promote trade and investment. The two agreements signal Singapore's desire to expand business links with Saudi Arabia, Singapore's largest trading partner in the Middle East and its largest foreign investor from the Middle East. The investment guarantee agreement sets out investment norms and protection, including guarantees for nondiscriminatory treatment and free flow of capital. The trade MOU merely provides for greater consultation and cooperation between the governments. Saudi Arabia also agreed to support Singapore's effort to conclude a Free Trade Agreement (FTA) with the Gulf Cooperation Council (GCC).

#### Economic Opportunities

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¶3. (U) The prince's visit follows a flurry of high-level visits on both sides, including a trip to Saudi Arabia by Minister Mentor Lee and five cabinet ministers in March 2006. Singapore also organized and hosted the first Asia Middle East Dialogue (AMED) last year. Singapore wants good political relations with the Middle East to take advantage of economic opportunities there, Foreign Minister George Yeo explained to Parliament in March 2006.

¶4. (U) In the strained relations between the West and Muslim nations, the Government of Singapore (GOS) sees opportunities

in the Middle East for Singapore companies, especially in the areas of medical tourism, Islamic finance, info-comms technology, financial services, construction and real estate services, and oil and gas supporting infrastructure. Saudi Embassy DCM Fouad Gassas told us his government wanted to attract Singaporean investment for industrial park development and several infrastructure projects. The Saudi Arabia General Investment Authority recently opened an office in Singapore.

#### Saudi Public Diplomacy

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¶5. (U) The Crown Prince delivered (in Arabic) a lecture in which he denounced terrorism as a "disease" and "a grave violation of the teachings and values of Islam." The prince also donated USD 100,000 of his own money to the non-governmental Inter-Religious Organization (IRO), which brings together representatives of 10 religions practiced in Singapore to promote religious harmony. According to the Saudi Ambassador to Singapore, the prince made the donation because he believes that such an inter-faith organization that strives to eliminate tension between people of different religions is a "worthy cause."

¶6. (C) The prince also donated USD 1.5 million to three local Muslim organizations: the Muslim Missionary Society of Singapore (Jamiyah), the Muhammadiyah Association of Singapore, and Madrasah Al-Irsyad (one of Singapore's six full-time Islamic religious schools). The donation to Muhammadiyah, a conservative organization with links to Saudi Arabia, makes sense ideologically, according to an officer of Singapore's Syariah Court. Madrasah Al-Irsyad, the school intended to train Singapore's future Muslim religious leaders,

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is raising funds for a new building with modern facilities. Although Singapore's senior leaders have repeatedly expressed concern about conservative Arab influence on Southeast Asia's Muslims, an MFA official who co-directs the GOS interagency "Political Islam Study Group" (protect) defended Singapore's allowing the donations, saying "I don't see why not, especially if the transfer is done overtly."

#### Protecting Harmony

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¶7. (SBU) Comment: Singapore seeks to profit from economic opportunities in Saudi Arabia, but senior leaders remain wary of the kingdom's influence on its Muslim minority. Singapore allowed the prince's donations, and permits the Saudi government to offer scholarships directly to its Muslim students. It draws the line, however, at external threats to racial and religious harmony -- banning "extremist" foreign preachers but also imposing "media blackouts" on foreign critics of Wahabiism. As Minister in Charge of Muslim Affairs Dr. Yaacob Ibrahim told us, "we don't allow foreigners to come in and create trouble." Singapore has no problem accepting Saudi money for a new madrasah building, knowing it will retain strict control of the content taught inside the building. End comment.

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